

Congressman Childers Introduces New Legislation to Promote Energy Conservation, Combat High Gas Prices

Childers Unveils the 21st Century Fuel Efficiency Act to Encourage Sale of Fuel-Efficient Vehicles, Bring Jobs to North Mississippi

August 12, 2008

Washington, DC - Today, Congressman Travis Childers (D-MS) announced new legislation that promotes fuel efficiency and aims to combat U.S. dependence on foreign oil and high gas prices. Before Congress adjourned, Congressman Childers introduced The 21st Century Consumer Fuel Efficiency Act (H.R. 6773), legislation to encourage the purchase of fuel efficient vehicles by removing consumer tax credit caps.

"Today, the number one issue of concern for North Mississippians is high gas prices," said Congressman Childers. "Back In July, I announced a six-point energy plan to provide immediate relief for North Mississippians struggling to afford prices at the pump and long-term solutions to our nation's energy crisis.

"In order to move specific portions of my plan into law, I pledged to introduce several pieces of legislation to promote fuel efficiency, conserve energy, and reduce American dependence on foreign oil. Included in my energy plan is a proposal to extend hybrid vehicle tax credits, and that's what H.R. 6773 does."

There is currently an Alternative Motor Vehicle tax credit for vehicles that meet specific fuel efficiency standards, but after a manufacturer sells over 60,000 of these vehicles, this tax credit no longer applies. H.R. 6773 removes the Alternative Motor Vehicle's manufacturing cap and extends meaningful tax credits to consumers who purchase fuel-efficient vehicles.

Specifically, the act sets a universal mile per gallon (mpg) standard that is in line with the nationally mandated fuel economy standard. Under this Act, consumers who purchase vehicles that are more fuel efficient than the Corporate Average Fuel Economy (CAFE) standard, currently set at 27.5 mpg, would receive a \$100 tax credit for each mile per gallon (mpg) that the vehicle's efficiency exceeds that standard.

In July, Toyota announced that its manufacturing facility in Blue Springs, Miss. will produce Prius hybrid vehicles instead of Highlander SUVs, as originally decided. The H.R. 6773 tax credit will bolster the positive effects of Toyota's decision on employment and job security in North Mississippi. The Prius receives 46 mpg of gasoline, which means \$1,950 would go back into the pocket of each consumer who purchases the Toyota hybrid under H.R. 6733.

"North Mississippi is poised to play an increased role in addressing our nation's energy crisis," said Congressman Childers. "In a market plagued by soaring fuel costs, a hybrid vehicle is a much more viable product than a gas-guzzling SUV, and Toyota's decision will help increase jobs and improve job security in North Mississippi. The 21st Century Consumer Fuel Efficiency Act will further promote Prius sales, increasing the positive impact that production of the hybrid will have on Mississippi jobs.

"All domestic car manufacturers that produce fuel-efficient vehicles can and will benefit from this legislation. I recognize that this is just one small step in the right direction, and I will continue to do everything I can to help bring down gas prices."

Additional provisions of the 21st Century Consumer Fuel Efficiency Act include a 50 mpg cap on the extension of tax credits and a \$150,000 household income cap for eligibility. For every \$1,000 in earnings over this income cap, a consumer would receive a five percent reduction in tax rebates.

Congressman Childers has pledged to consider any reasonable solution that might lower fuel

costs. He voted twice for Congress to stay in session until the House and Senate drafted comprehensive policy to address our energy crisis.

The Congressman also strongly supports new oil drilling, and is a cosponsor of the American-Made Energy Act, which calls for drilling in the Arctic National Wildlife Refuge (ANWR) in Alaska, as well as the National Conservation, Environment, and Energy Independence Act, which would lift the offshore drilling ban and allow drilling in the Eastern Gulf of Mexico.

#